

Business Project: Groupe SEB - Communication of café full  
automat (FA) brands

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## **Communication of café full automat (FA) brands**

### **Abstract**

The Business Project with Groupe SEB had as main objective the assessment of KRUPS' main competitors' communication in the Czech Republic along with an understanding of the key messages and benefits that consumers wanted to hear and see. Thus, our final output would be a suggestion of a unique communication strategy that would allow KRUPS to capture the market share it desired. This understood, we can say that, summarizing, this Business Project wanted to answer one main question: How should we communicate KRUPS' new Full Auto coffee machine in the Czech market?

*Keywords: KRUPS, communication, Full Auto*

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### 1. Context Overview

#### **The Client**

The corporate partner to whom the business project was performed is Groupe SEB, a French holding present in more than 120 countries worldwide that manufactures cookware and household utilities. This holding controls brands such as Moulinex, KRUPS or Tefal.

In the particular case of the business project in question, our client was not Groupe SEB as a whole but specifically KRUPS, the producer of coffee machines for brands such as Dolce Gusto or Nespresso, along with other household products including blenders, electric slicers or toasters. KRUPS was created in 1846 as a forge in North Rhine-Westphalia, Germany by Josua Kortz with several other people including his nephew Robert KRUPS. Further on, Robert's son, also named Robert, transformed KRUPS into an industrial producer exporting products to Holland and Switzerland from 1866. In 1951, after the Second World War, Fritz Krups and Karl Korner, the third generation of the family to be in charge of KRUPS, decided to relaunch the company by anticipating the market needs after the war. After revealing a constant growth not only in terms of sales and production but also by diversifying into different markets (geographically and in terms of products sold), KRUPS would eventually join Groupe SEB in 2001.

#### **Market Overview**

The focus of this Business Project in what market is concerned was the Czech market for producers of Full Automatic coffee machines.

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In this sense, one has to understand who are our main competitors and what are they doing. In the Czech market, the market leader is undoubtedly Delonghi with constant market shares around 70%, both in terms of percentage of sales and of sales value. (See appendix 1) Delonghi is a Full Auto coffee machine producer with Italian origin that established itself in the Czech market substantially earlier than its current competitors. This first mover position enabled it to build the reputation it has nowadays and to be the first name that comes to people's minds in the Czech Republic when it comes to Full Auto machine producers.

The second largest player, with approximately the same market share as KRUPS is Saeco, with percentages rounding 10% for the same indicators as Delonghi. Saeco also emphasizes its Italian origin and design and has recently lost market share to both KRUPS and Delonghi.

Moreover, there is another player in the market that, even though displays a rather smaller percentage of sales, was considered in our project due to its marketing communication strategy, Jura. Jura is a Swiss brand that emphasis not only its origin but promotes itself as a luxurious and exclusive brand, displaying top notch visuals that we decided to pay attention to.

### **Client Situation**

KRUPS has a good position in the Czech market in terms of ranking, being the #2 or #3 along with Saeco in terms of consumer awareness and volume of sales in the country. However this position is not as good as it seems when we consider the numbers, since Delonghi has around 70% of market share and KRUPS slightly below 10% (for Full Automatic machines). Even though the consumers in the Czech Republic are fully aware and buy brands like Dolce Gusto or Nespresso, they do not

connect it with KRUPS, its producer. Thus, in the Full Automatic category, where KRUPS plays under its own name and with no partnerships, it does not have the desired reputation or awareness amongst the consumers. The main problem with this is the lack of a clearly defined identity for KRUPS. When in extensive interviews or focus groups, people did not know exactly how they perceived KRUPS or what to say about the brand; its position in the Czech market is hence not clearly established. Its market share in terms of sales has been increasing in the recent years, but still too far from the desired values and specially when compared to Delonghi.

### **The Business Project Challenge**

Recalling the end of the Abstract, the Business Project had one main question that needed to be answered: How to communicate KRUPS' new Full Auto coffee machine in the Czech market?

As it was mentioned before, KRUPS perception among consumers was not clearly defined and our mission was to understand what the image of the brand should be and how we could communicate it to our consumers. By doing this, KRUPS aimed at making sure that it reached the desired reputation and the growth that would come with it.

The Full Auto segment of coffee machines is a much more expensive segment when compared to capsule machines for example, at least in terms of initial investment (a Dolce Gusto machine, for example, costs up to 100€ while a Full Auto can go from 450€ to 1600€ or even more)(See Appendix 2). It is not something that can be perceived as an impulse purchase, thus we needed to make sure KRUPS had the right image communicated in the right way to ensure that when someone would be ready to make that investment they could trust KRUPS as the best choice.

That was our challenge, to make KRUPS' new Full Auto coffee machine desirable and trustworthy for the Czech customers.

## **2. The Project**

### **Problem Definition**

As it should be clear to the reader by now, KRUPS' image in the Czech Republic is not the most desired one. At the moment we started the Business Project, the brand was not consumers' first or even second choice when it came to coffee machines, something we understood not only through meetings at Groupe SEB but also through the various interviews we carried out during our research period. Considering KRUPS as a coffee machine producer, its reputation could in fact be positive due to the success of machines like Dolce Gusto or Nespresso, the problem is that consumers do not associate these brands with its producer, KRUPS. Taking the focus to the Full Auto segment of the market this reputation is even worst; some models of KRUPS machines have a history of being problematic and breaking down often which, even though only happened in one or two models, naturally affected the brand's name as a whole.

This raises two issues: first the fact that customers are unaware of KRUPS, and second that the ones that indeed know it do not see it with good eyes if they care to take a look at reviews of previous models of the machines.

Based on the focus groups that were performed in Prague and Brno we gathered the information that for example when the guests were asked with whom KRUPS would hang out at a party the answers were mostly in the lines of: "KRUPS would probably be on its own" or "I do not know where KRUPS would fit".

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Bearing in mind the two issues rose comes the main problem: How do we change this perception that people have? How do we get to be people's first choice? And summing up, how do we communicate our new Full Auto machine in the Czech market? Which benefits should we communicate? How emotional/rational should we be in our communication?

### **Methodology**

The final recommendations we provided the company with needed to be justified in order to be credible, thus we conducted both qualitative and quantitative research.

Within our qualitative research our first step was to understand what was being said online about KRUPS and its competitors, for that we analysed online reviews mainly in the Czech Republic choosing as our source the website [www.heureka.cz](http://www.heureka.cz), a Czech website where consumers leave reviews after purchasing the product. This research gave us a first basis for the rest of our analysis by providing us with initial findings and trends on how consumers felt about coffee machines and what were the main issues they addressed.

Afterward the performance of the analysis of online reviews we decided to combine it with analysis of KRUPS' main competitors, in this case we opted by Delonghi, Saeco and Jura. This analysis took into consideration all the channels that the brands used, including Facebook pages (both international and Czech), Youtube channels, Czech press or brand's website. Furthermore, we also focused on what they were communicating in these channels, which features, emotions and if it was the case, with whom they were connected (brand's ambassadors or Czech influencers who would communicate the brand within that specific country's market). (See appendices 3-5)



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Once we were able to gather the necessary information from these two sources, online reviews and competitors' communication, we decided to move on to the next step: Extensive presential interviews.

Based on the knowledge we had acquired from our research we built questionnaires to approach three groups, each of these groups with a specific set of questions tailored to them. The three groups of people we found important to be covered were Full Automatic coffee machine owners, Capsule machine owners and Sales Assistants. Through these three groups we intended to capture the perception behind each type of person. Regarding Full Auto owners we wanted to understand what led them to make the purchase, how they felt about it and which wants and needs they expected to be satisfied by the machine. Concerning Capsule owners we also wanted to understand what they expected from coffee and from the coffee machine and moreover we wanted to understand whether or not we should target them as potential Full Auto customers. Finally, by interviewing Sales Assistants, we expected to understand what were consumers' motivations to buy the machines, what were their frequent questions, which features they looked for, and in general how was their purchase journey.

The final stage of our qualitative research was done in collaboration with the Czech marketing company Ppm Factum. In this stage two groups of eight people were invited to participate in focus groups about Full Auto coffee machines both in Prague and in Brno. Concerning the one in Prague we were present during the meeting in order to gather any information we found relevant for our project; the one that took place in Brno we were not able to be present in person but Ppm Factum was kind enough to allow us to watch the video tape of the event so that we could enrich our research.

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Finally, everything that was done in the qualitative research had a final purpose, which was providing us with enough information and findings in order to create a final survey, which would confirm or deny the findings we had achieved so far.

Through this survey, we intended to have a more statistically relevant source to support our claims and final recommendations to Groupe SEB. Thus, the survey was written and designed by us and posted by Groupe SEB on KRUPS Czech Facebook page as well as in our own profiles, since we aimed at targeting anyone interested in coffee, and not only Full Auto users for example.

At this point, once all the research was performed, we combined all our findings, some confirmed by the survey some not so much, and some new and interesting insights that the survey brought, and with all that in mind we came up with our recommendations.

### **Hypothesis**

There were several hypotheses we aimed at testing in our project, some were decided from the beginning and others we got to know during the qualitative research. The first hypothesis came to the table in our first meeting with our coordinator in Groupe SEB, and that was that KRUPS' lack of success in capturing the desired market share was due to unclear and wrongful perception of the brand by the customers. Consequently, in order to assess that, the focus groups and extensive interviews played a major role since they allowed us gather more detailed insights on consumers' opinion about our brand.

Furthermore, after the above-mentioned extensive interviews, focus groups and online reviews' analysis, we arrived at two new hypotheses that we wanted to test: 1<sup>st</sup> – we wanted to understand if we should target current Capsule machine owners or not; 2<sup>nd</sup>

– we wanted to understand if Full Auto machine potential buyers would be only from the upper class/ higher income level or not.

Consequently, the quantitative analysis, through the survey, would give us a stronger ground to claim or not any of these hypotheses as truthful.

### Analysis

Once all the research had been conducted it was time to analyse the results. All the research that was performed had as a goal creating a survey to validate our findings. Thus, the analysis is to be done based mainly on the results of the final survey in order to arrive at the right and justified recommendations.

As it was previously said, our first hypothesis, concerning consumers' perception of KRUPS, would be assessed through the extensive interviews and focus groups. What we found out here was that for example in the case of sales assistants they did not have KRUPS as a top of mind brand, the first one they mentioned was Delonghi and afterwards Saeco. Well, if we do not have the sales assistants on our side, who are often the ones that give the final push before the purchase, we start off already in disadvantage against our competitors. Moreover, KRUPS was always perceived by the people in the focus groups as the outsider of the party, in the sense that they did not know well or at all where the brand would fit, with whom it would get along or what are their best characteristics. Furthermore, regarding consumers' perception of our brand, there was one factor we considered to be of extreme importance and we were afraid KRUPS was missing: the quality of the visuals in advertisements. In both focus groups this was unanimous, everyone mentioned visuals and graphics' quality as key to attract them to the brand, explaining that it changed the way they felt about the coffee and about wanting to drink it. Confirming as well our fear, several people

said that KRUPS was lacking that quality in the presentation, and that problem was even more obvious when compared to its main competitor, Delonghi.

The second hypothesis we discussed was the understanding of whether or not current capsule machine owners should be targeted by us. In the beginning, taking into consideration only extensive interviews, our findings led us to believe this was not an interesting group to target, at least not for the near future since they expect different things from the coffee and do not feel the need to have such a high quality level of coffee as the one provided by Full Auto machines. Moreover, they would not be interested in such a big initial investment. Thus, we wanted to test our belief so we used the survey to do so and were positively surprised to find out our belief was wrong. Actually, from the capsule machine owners that responded to our questionnaire, 97% said “Yes” when asked if they would consider buying a Full Auto machine. However, we afterwards shortened our percentage of potential buyers since only 32% of them were willing to spend more than 10,000CZK ( $\approx 400\text{€}$ ). Now this showed us that we should target this 32% for sure, but still the other 65%(=97-32) are interesting candidates for the future, since in the future their income might allow them to be willing to spend more than 10,000CZK and we should starting building our relationship with them now. (See appendix 6)

Moreover, another factor that supported our decision of targeting current capsule machine owners was understanding that both capsule machine and Full Auto machine owners have the same preferences and rank almost exactly the same way the various aspects we showed them. Namely, the most important characteristics were the taste and smell of the coffee, followed by the easiness of cleaning the machine and the possibility to adjust your coffee to your preferences (strength, amount of water, grinding) and the least important was in both cases the size of the machine, which

works in our favour since Full Auto machines are bigger and we were afraid that might be an issue. Thus, once the preferences are the same, it is a question of initial investment, which we would cover in our communication recommendations since Full Auto are actually cheaper in the medium to long-term.

Another hypothesis we considered was that, due to its bigger initial investment it might happen that our potential buyers would only be a class with a higher income level. However, and again to our great satisfaction, we understood that the biggest slice of the pie of Full Auto owners answering our survey were included in the income level between 20,000 and 30,000CZK ( $\approx$ 740 - 1110€). The point here is that this represents the income for the person answering the survey exclusively, and our findings show that this purchase is usually made in family households, not so much by single people, thus there are aggregated incomes to be considered.

Furthermore, we understood within our respondents that tasting the coffee before acquiring the machine is crucial, something we already had witnessed in the interviews and which was confirmed by the survey results. Another finding that was of extreme relevance to our communication strategy was the fact that, as mentioned before, the purchase of Full Auto machines is something planned in which recommendations and reviews are crucial.

### **Recommendations**

In this stage we needed to present the company with what we believed they should communicate and, after that is clearly defined, how that communication should be done including a step by step strategy throughout the consumer journey towards the purchase and after it.

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Thus we needed to think of the key message and this was founded on what people expected from a brand like KRUPS as well as what attracted them in a coffee machine brand in general. This said we arrived at a set of characteristics of the brand that should be communicated as the key message: The brand should be Honest, Reliable, Well Working, Good Looking and a “Member of the Family”. There were other brands like Jura, which did not promote this, but instead promoted exclusivity, luxurious machine, status amongst others but, according to our research and to what KRUPS itself believes it should be, these are the characteristics that make sense to communicate. In this sense, we want to create an idea on consumers’ minds similar to the perception that people have of Volvo within cars. It is indeed a good looking car, but that is not its main characteristic, the “family vibe” and reliability are its main strengths, and that is what we understood KRUPS should be within the coffee machines’ market.

Subsequently we needed to decided on the benefits that should be transmitted in its communication, and those are: The more technical features such as the TermoBlock the machine has or the Self Cleaning System included in the machine; Also important is the communication of the possibility to make different types of coffee (cappuccino, espresso, latte, among others) for each family member, satisfying any preference; The higher quality of coffee when compared to capsule machines combined with the economical benefits in the long-term; and finally the easiness and comfort of use of the machine, since several consumers associate a more sophisticated machine with a more “confusing” and difficult to handle machine, which is not the case.

Lastly, in the “what to communicate” segment, comes the Reason to Believe. This will be achieved through building trust confirmed by both online reviews and sales assistants; these two channels will be key in our path to trust.

Another very important point to build the trust KRUPS needs is the focus on the Czech market, since in focus groups and interviews several people mentioned the fact that some brands only have international marketing campaigns that are used in the Czech Republic, which gives an impression of lack of interest and commitment to that specific market.

Now the “How”. How do we suggest communicating the topics above? For this we decided to adopt the See, Think, Do, Care model in order to facilitate the understanding of the step by step strategy. This model will be explained in more detail in the part destined to Academic Discussion, thus for now only a brief introduction to each phase of the model will be provided.

In the See section we have public in general, the ones already interested in buying a coffee machine and the ones that might still not be thinking about it but can become interested. In this first phase we need to communicate emotions in order to capture consumers’ attention, so we suggest communicating the quality of the coffee in an emotional way. How do we do that? By having the upmost focus and concern of the quality of the visuals. Going more in detail it is important to display several varieties of coffee the machine can produce, since it was appreciated by the people in the focus groups and the interviews as well as in the survey, where they preferred a range of possibilities against one espresso or one cappuccino. Displaying a cup with steam to create the association with the smell, which is one of the most important aspects according to our research. Betting on a metal finished machine instead of plastic, which shows more strength and reliability; this machine should be displayed naturally in a home environment with family atmosphere, no photo-shop, consumers can see when it is fake and it draws them away from trusting and buying the machine. Moreover, in this home environment the presence of people is appreciated but in the

back, the first plan should be of the machine. Finally for this See phase a cooperation with Czech influencers within our target age is very helpful.

Concerning the Think section, which encompasses potential customers who are already interested in making the purchase, KRUPS should communicate the more technical features of the machines. This could be done through tutorial videos on its website, Facebook page or Youtube channel. Also invest on Search Engine Optimization or Search Engine Marketing in order to increase the visibility of the brand on search engines such as Google when customers type key words related to coffee machines, since often times people search for online reviews before buying as we mentioned so it is crucial to show them what we want them to see. Lastly it is fundamental to have a two-way communication on social media to show the customers that the brand is present, happy to help and to clarify any doubts.

For the third phase of the model, the Do phase we are considering customers that have already decided to go on with the purchase and just need the final push. In this phase we have two “best friends”: online reviews and sales assistants. KRUPS needs to become the top of mind brand for the sales assistants, how do we do that? Sales assistants do not receive any particular scenario from the companies or detailed information about what they are selling. Not rarely they research themselves by their own initiative in order to be able to address customers questions. Here is our entry point: by granting them access to tutorial videos on how the machines work and on how to sell the KRUPS coffee machine we create the relationship we need with them, by being there for them. Once we achieve this, when people enter a store asking for recommendations the name they will hear is KRUPS, not Delonghi or Saeco. Moreover, as we mentioned before, tasting before buying is essential, thus it makes sense to have in-store tastings available as much as possible. Quoting one sales



assistant we interviewed: “When we want to sell a machine, we prepare a coffee”. Coming to the fourth and last phase of this model we have the Care section. This phase concerns the after purchase period but could very well represent our lifetime, since it is THE way to achieve the trust that will allow KRUPS to gain a desirable and sustainable market position. In here we suggest KRUPS to keep the two-way communication not only with clients but also with sales assistants, create a help-line and regular newsletters. It can also be rewarding to invite customers to brand’s events such as launches of new products or coffee tastings. As a final suggestion we present the creation of a professional delivery service, in which if your machine has a problem, KRUPS goes to your place, takes the machine, fixes it, and delivers it back at your door.

### **Concerns**

Discussing our constrains during the project I believe one that hit us quite early was the difficulty to find suitable interviewees for our three target groups that would be available to perform extensive interviews.

In terms of implementation, during the project we had no restrains since our company coordinator gave us absolute freedom regarding the scope of our recommendations, she insisted that we should not think about budgets but instead focus on what we found out during research and come up with what we thought was better for the company, budgets would be something they would think about later taking into consideration our recommendations. Once these recommendations were presented the feedback was, as we expected, that they were quite feasible and, very importantly, not expensive to implement.

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Finally, there is something which we believe to be key in our recommendations, and that might represent a problem: The need for a new graphic designer. We do not know how open they are to changing, but unless they improve dramatically their way of working they need to find a new one.

### **Individual Contribution**

It is with great pleasure that I can honestly say I witnessed seamless teamwork during our Business Project. Along the whole process there was great coordination between the team members, which was fostered by an evenly divided amount of workload.

One of the reasons why I was more able to help the team was due to my previous experience in a brand management project which I carried out at NOVA in the previous semester with Professor Catherine da Silveira; this gave us some advantages regarding the methodology to use in such types of projects where the goal is to improve the brand's perception vis-à-vis the consumers.

Regarding more specific tasks it can be understood that Thúy and Eva performed the extensive interviews since it was easier to conduct the interviews in Czech, and even though I studied the language while I was in Prague the fluency, obviously, cannot be compared. For the above-mentioned interviews we prepared three different questionnaires for the three different groups of people we interviewed, with each of us preparing one of them and subsequently all of us revising what the others had done, cutting, adding or adapting when needed. In terms of online reviews research I was in charge of international reviews while my colleagues took care of local website reviews. Moreover, the final survey destined for quantitative analysis was prepared by me and then translated/adapted for language issues by Thúy and Eva. After all the research had been done, the analysis of the results and gather of the most relevant

overall findings was done together as a group. Finally, regarding our output, the group brainstormed together over the findings to arrive at our recommendations to the company.

### **3. Academic Discussion**

Regarding the academic discussion, with a relationship to my master in management, I will be focusing mostly on marketing theories and models, once that was the main topic of my Business Project, marketing communication, and also a rather discussed topic within a management masters.

The first model to be approached is the See-Think-Do-Care Model (Kaushik, 2013), which encompasses the whole consumer journey up to and after the purchase. In the first part of the model we have the “largest addressable qualified audience” (Kaushik, 2015), which represents people that showed no direct interest in purchasing our products but that might be our future customers and with whom we can engage online to catch their attention. Once we have their attention and they display some interest, they move on to the Think phase, here we have the “largest addressable qualified audience, with some commercial intent” (Kaushik, 2015). In this phase, “the seed is planted” and we need to make it grow by explaining the benefits our product will bring to them until we get them to the Do phase, where we have the “largest addressable qualified audience, with loads of commercial intent” (Kaushik, 2015). This third phase of the framework contains the consumers that already decided they want to make the purchase and just need that final push to come in our direction. A huge problem with marketing nowadays is that companies do pretty much all their marketing focusing on this group, trying to get the consumers to them, the reason why

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this is a problem is the fact that they are at the same time “annoying everyone in the See and Think intent clusters”(Kaushik, 2015). Lastly, there is the Care phase, in which the audience are our current customers and that should be taken into much consideration if we want to maintain our stream of revenue from them flowing. The reason why this framework was chosen for our Business Project lies on the fact KRUPS needed to work thoroughly on all phases of the model; it was missing the whole consumer’s purchase funnel. Thus, a model that allowed us to tackle step by step the consumer journey seemed to be a perfect and definitely necessary choice.

A yet another relevant theory to this Business Project is the Commitment-Trust Theory of Relationship Marketing (Robert M. Morgan and Shelby D. Hunt, 1994). This theory, to which the name is quite self-explanatory, states that these two characteristics, trust and commitment, are crucial for the relationship between the company and the customer to succeed sustainably. Considering this theory, instead of aiming at short-term profits, the company should focus more on a long-term relationship, which allows, as the Care section in the previous paragraph, constant revenue streams. Such type of relationships presuppose cooperation between the two parties which allows them to both fulfil their needs. However, it is not easy for just any company to have a long-term relationship of care with all its customers. Thus, the company should be able to understand, through Customer Relationship Management, which customers are the most important for their overall strategy and allocate its resources towards fostering the relationship with these ones (Annekke Brink and Adele Berndt, 2008).

As previously explained in the Recommendations part of this Work Project, Trust plays a major role in our marketing strategy. It is this built trust that will enable us to have, for example, the sales assistants on our side and our current customers writing

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positive online reviews about our products, two things we understood to be our “best friends” in the Do phase of our marketing communication strategy.

Concerning topics to be further studied and researched I believe that the development of the theory around the fact that most marketers focus only on the “Do” part of the consumer journey would be interesting. Apart from Kaushik’s framework, which I presented earlier, there is, in my opinion, little research about this phenomenon. Moreover, it is a crucial aspect to which marketers are blind sighted and one that, if properly researched and explained could improve substantially the quality and impact of marketing communication strategies. Naturally, I chose this framework due to the fact that it applied perfectly to the project I had in hands since it covered different steps that needed attention. Furthermore, it is my belief that a considerable amount of brands face the same problems KRUPS faced and are simply unaware of this need to differentiate the various segments of audience they need to reach and the different stages in which they should be tackled.

### **4. Personal Reflection**

Concerning the strengths I witnessed in our Business Project I believe that the teamwork, work environment and the quality of the personal relationships not only within the group but also with our university tutor and our company coordinator should be highlighted. Within our group we were able to understand where each of us would be more productive, which represented considerable synergies and made the work much more fluent.

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Moreover I had the luck to be in a group of people that, like me, knew that there was time to work and time to relax, and knew when those times should be. Thus, we were able to conjugate both of them by for example working from 14h00 to 20h00 and going for dinner and a glass of wine afterwards together.

In what weaknesses are concerned I believe that the fact that I was not so familiar with the Czech culture and mind-set might have been prejudicial in terms of understanding what the consumers' mind was like. Luckily, I had Thúy and Eva who were both Czech and compensated for that, pointing sometimes that my point of view could be valid in Portugal but it was different in the Czech Republic.

Another weakness I present is a “less than wanted” attention to detail. I am a result-oriented person who focuses more on the content and on the message rather than on details, which I often consider as minor things or banalities.

Lack of more specific and detailed guidelines from the company on what they expected from us could be a drawback but at the same time gave us freedom and autonomy (at our own risk). Honestly, it is hard to find weaknesses in a project that went so smoothly.

Concerning the development of areas of improvement it might be important in the future to set from the beginning the expectations of both parties, which we tried to do but often times was not clear. It is crucial that everyone is on the same page or unpleasant surprises might happen. However, those surprises did not happen in this project and if we had been more concerned about specific expectations we might had restricted our thoughts and our recommendations could come up poorer in the end.

Another area in which I will work to improve is to be more concerned about details beyond the core of the work. I believe this can be achieved with a bigger focus on

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time management, so that I have the time needed to perform the work as I usually do, but keeping some period afterwards which allows me to go over the details.

In what respects added value, it was in my point of view crucial the fact that we knew we actually had an impact in the company; this increased our motivation and effort to perform well. It is indeed very important to know your work is relevant, and in our case we tried to come up with recommendations that would be of moderate easiness of implementation. In fact, after our final presentation at the company, which was not the first time we had provided them with insights on our recommendations, we were glad to see that KRUPS posted on its Facebook page a new visual ad which contained various improvements suggested by us, that was incredibly rewarding. To understand that a project still within our academic life had such a quick impact in the real world made all the effort worth it. This I believe adds value to any project: a project is meant to add value to a company right? But the company it self adds value to the project when it shows to the people involved that what they are doing matters, it is a positive cycle.

In the particular case of this Business Project I also believe that, considering the project was only for the Czech market, it was really value adding to have Czech people combined with an outside perspective (mine), it is often times needed to have someone from the outside to bring fresh ideas that are not formatted by the surrounding culture.

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## Appendices

### Appendix 1 – Market shares

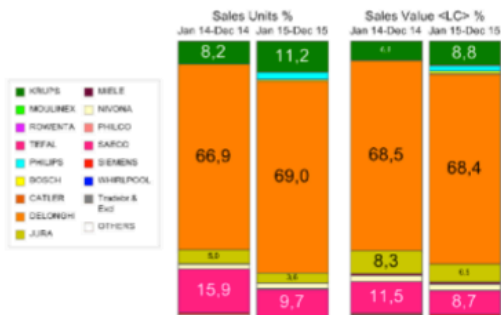


#### CZ Fullautomatic - GFK

- Positive growth YoY
- Delonghi maintaing No. 1 position
- Krups +3% units, + 2% value
- Krups only growing brand

	Sales Ths. Units		Sales Ths.CZK	
	Jan 14-Dec 14	Jan 15-Dec 15	Jan 14-Dec 14	Jan 15-Dec 15
Absolute	32	37	426.229	497.592
Growth Rate PY		15,1		16,7

No.	Item	FirstActivity
1	DELONGHIECAM 22.110 B/SB / ECAM 22.140 B/SB	Oct10
2	DELONGHIECAM 45.760.W	Mar14
3	DELONGHIECAM 25.462 B / S	Sep13
4	DELONGHIECAM 23.420	Oct09
5	DELONGHIECAM 23.460 B/S	Nov13



Titre présentation & date

4


### Appendix 2 – Range of Full Auto machines KRUPS



#### Fullauto range 2016



### Appendix 3 – Delonghi's communication



## Summary

69% Market Share (In Sales Units) 2015

**"Better everyday " / "Kazdý den je mimorádný"**

**"Living Innovation"**

**"Unique like your taste"**

**"Pravý klenot italské technologie"**

**"Dokonalá krása"**

**"Aroma a vášen pravého italského espressa"**

**"Nezapomenutelné cappuccino pouhým jedním stiskem"**

The communication

- Emphasis on Italian design and origin
- Emotional communication with constant display of the machine in a home environment - on the kitchen desc
- Message of high quality and technology in everyday life
- Always presented Espresso, cappuccino, macchiato
- Localized for CZ market:
  - CZECH YouTube channel (tutorials, ads, promo of new models)
  - No official Facebook page for CZ (run by dealer)
  - Official CZECH website (possibility to compare machines)

### Appendix 4 – Saeco's communication



## Summary

9.7% Market Share (In Sales Units) 2015

**"Kdykoliv jste jen jedno tlačítko od dokonalé chvilky s kávou"**

**"Pro váš dokonalý šálek kávy"**

**"Věcem, na kterých mi záleží, dávám jména."**

**"Baví mě, že si mohu nastavit sílu kávy."**

The communication

- Emphasis on perfection and Italian origin
- Emotional communication evokes the feeling of belonging:

'Sluší každé domácnosti, první, co ráno uděláte, věc, na které záleží, svůj kávovar doma hrdě vystavuji.'
- Localized for CZ market:
  - YouTube (tutorials)
  - Facebook (competitions)
  - Czech press
  - Czech influencers
  - Interactive website

## Appendix 5 – Jura's communication



### Summary

3.6% Market Share (In Sales Units) 2015

**“Zákazníky chceme nadchnout  
švýcarskou kvalitou našich  
kávovarů” Hans-Peter Rubert  
(directing manager of Jura CEE)**

**“JURA- If you love coffee”**

#### The communication

- Emphasis on exclusivity and Swiss origin
- Communication of the whole range of coffees the machine is able to make
- Localized for CZ market:
  - NO Czech YouTube channel
  - NO official Czech Facebook (run by authorized dealer)
  - Official CZECH website (possibility to compare machines)
  - Czech press (e.g.PR articles in E15magazine)
  - Own Showroom in Prague
  - Strategic partnership with Tchibo stores
  - Brand ambassador Rodger Federer

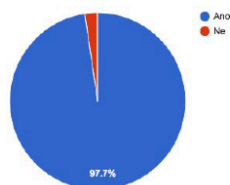
## Appendix 6 – Some results from the survey

# Are Capsule Users Our Target Group?

97.7% would consider buying a full automat

32% would spend over 10.000 CZK

Do you consider buying a full automat machine?



How much would you invest in coffee machine?

